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MEMORANDUM FOR: Deputy Director (Plans)

27, 1956

SUBJECT: Revised Administrative Plan for BR Division
PI Project AEMARS

I. Background

1. The Administrative Plan for the subject project was authorized by the BR/S on 1 December 1953 and approved by the BR/T on 2 December 1953. This Plan provided for the formation of AEMTMO (a nonprofit membership corporation) whose primary function was to furnish financial support and to serve as a backstop for the cover activities engaged in by AEMIX.

2. This project was classified as a proprietary activity and the reason it was so classified was due to the fact that the funding mechanism, AEMTMO, ^{WAS} supposed to be a nonprofit membership corporation. The instrumentality to carry out the operational activities was, and still is, AEMIX, a nonprofit cultural organization.

3. It subsequently developed that a cleared individual was used to pass funds to AEMIX and therefore AEMTMO was never utilized, in fact AEMTMO was never established.

4. The BR Division and the Audit Staff have requested that a revised plan be written which will eliminate the provision relating to the formation and control of the funding mechanism.

II. Purpose of this Provision

5. This revised plan, ^(a) eliminates the provisions relating to the formation and control of AEMTMO and covers the subsidy phase of project AEMARS, and (b) Rev. 7P6.

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DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCE/METHOD/EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
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6. Provides for the writeoff to cost of certain office equipment including a used duplicating machine which was purchased in 1964 for the use of ALMINK, the subsidized organization. This equipment is now carried as an investment of SURAKH in the amount of \$451.50. The SR Division states that, due to the operational situation, it is inconceivable that this equipment can ever be securely recovered.

III. Approved

6. Project ALMINK was originally approved on March 4 by ALMINK/DP in the amount of \$451.50 and has been in continuous operation since that time.

IV. Recommendation

7. The attached Revised Administrative Plan has been concurred in by all interested Staffs and Divisions and is recommended for your approval.

[Redacted] Chief
Project Administrative Planning Staff, ED/2

[Redacted]
Project Officer

DAB/EDD/LAM:pal
(27 September 1965)

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Revised Administrative Plan
Subsidy Phase of
SR Division F1 Project
AEMARK

SEP 27, 1956

I. Terms of the Plan

1. The terms of this Revised Administrative Plan are designed to cover only the subsidy phase of project AEMARK. Any purely operational funds advanced will be accounted for and written off in accordance with existing EMBARK regulations. Each request for advance or disbursement voucher shall clearly indicate the purpose(s) of the advance; i.e., operational advances to be accounted for under existing regulations or subsidy payments to be accounted for under the terms of an Administrative Plan.

II. Annual Budget

2. On or before 1 January 1957 and each year thereafter at the same date, the SR Division Case Officer shall obtain from the principal agent the basic budgetary estimates for AEMARK for the following EMBARK fiscal year. These estimates shall include, but not limited to, the following categories: estimated bona fide contributions; salaries; travel; office expenses; and other miscellaneous expenses.

3. After determination of the amount of EMBARK support required for this project, the ^{SR} SR Division shall reflect its project cost estimates on a Project Financial Data Sheet in the presentation of the project to approving authorities.

III. Funding

4. Upon request of Chief, SR Division and whether the amount of the approved project, Finance Division is authorized to advance funds to

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the Headquarters Case Officer. These funds will be transmitted by the Case Officer to the principal agent, [REDACTED], or his successor, for transmittal to AEMARK.

5. For each transmittal of funds, the Headquarters Case Officer will obtain a receipt which shall show payer, payee, date, amount, and acknowledging the ^{purpose} purpose for which the funds are to be utilized.

IV. Accounting and Reporting

6. At the end of each calendar quarter, the Headquarters Case Officer shall obtain from the principal agent a quarterly accounting showing at least the following information: cash on hand at the beginning of the period; funds received by source during the period; funds disbursed during the period, classified by categories of cost; balance on hand at the end of the period.

7. The Headquarters Case Officer shall review each accounting and attach thereto his certificate attesting that, to the best of his knowledge and belief, the accounting accurately reflects the disposition of AEMARK funds advanced and that the expenditures reported were for the purposes authorized by the project. These accountings and attached certification shall be reviewed and approved by the authorized SM Division Approving Officer and forwarded to Finance Division.

V. Writeoff

8. Upon approval and authorization of this Revised Administrative Plan, Finance Division is authorized to writeoff to cost the balance reflected in the investment account of AEMARK and the cash on hand will

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be transferred to a Memorandum Control Account to be established for the subsidy phase of the project. Such writeoff and transfer shall be effected as of 20 September 1956.

9. The Authorized Certifying Officer is empowered to accept the receipts referred to in paragraph 8 as the basis for writeoff to cost of the amounts involved and for recording in the Memorandum Account.

10. Finance Division is authorized to accept the accountings referred to in paragraph 8 when certified and approved as provided for in paragraph 8 for writeoff from the Memorandum Account.

VI. Security and Personnel Policy

11. In the utilization of individuals under this project, any exceptions to CFI 10-5 and FRI-015 shall require the prior authorization of the CI Staff or the Office of Security, as appropriate.

12. Any willing U.S. Citizen used in this project shall execute a Secrecy Agreement. If any commitments are made to any individual on behalf of the U.S. Government, a written contract shall be executed or, in lieu thereof, the case officer shall provide a Memorandum of Oral Understanding in accordance with CFI 20-4.

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